

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

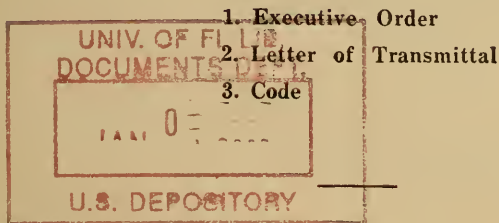
FOR THE

**COTTON CLOTH GLOVE
MANUFACTURING INDUSTRY**

AS APPROVED ON DECEMBER 30, 1933

BY

PRESIDENT ROOSEVELT



UNITED STATES
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Approved Code No. 187

CODE OF FAIR COMPETITION

FOR THE

COTTON CLOTH GLOVE MANUFACTURING INDUSTRY

As Approved on December 30, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

An application having been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Cotton Cloth Glove Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition, together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respects with the pertinent provisions of Title I of the said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations and findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 30, 1933.

(525)

DECEMBER 6, 1933.

The PRESIDENT,
The White House.

SIR: A proposed Code of Fair Competition for the Cotton Cloth Glove Manufacturing Industry was submitted by the National Association of Cotton Cloth Glove Manufacturers, and a hearing thereon was held the 7th day of September 1933. Every person who filed a request for an appearance was fully heard in accordance with statutory and regulatory requirements.

The product of the manufacturers in the Industry consists of ninety-nine percent Canton flannel, jersey, and leather-palm combination work gloves and mittens; the remaining one percent consisting of all-leather work gloves is purely incidental.

The submitting Association, founded in 1913, represents approximately ninety-four percent of the Industry by volume of business and forty-six out of sixty-nine manufacturers in the Industry.

The Association imposes no inequitable restrictions on admission to membership. However, to guard against the possibility of inequitable restrictions being imposed in the future, the bylaws of the Association are now being revised.

RESUME OF CODE AS TO HOURS AND WAGES

The Code provides for a forty-hour week and eight-hour day, except that during the seasonal period between July 1st and November 1st, a tolerance of ten percent is allowed to meet peak demand. Employees in a managerial, executive, or supervisory capacity, in office or factory, who receive \$35.00 per week or more and employees in outside sales force, will be exempted from the maximum hours provision. The hours of watchmen and drivers are limited to fifty-four and forty-eight respectively; watchmen are permitted to work only six days in any one week. Employees on emergency work are permitted overtime with payment of at least time and one third for hours worked in excess of the maximum.

The minimum wages are at the rate of 40 cents per hour for glove cutters (other than scrap leather cutters); 32½ cents per hour for glove sewers, and 30 cents per hour for other employees not otherwise provided for (including scrap leather cutters). "Scrap leather" is defined in the Code as "leather remaining after palms, thumbs, and fingers have been cut."

Office employees under twenty-one years of age are guaranteed a minimum wage of \$12.00 per week for forty hours of work; those twenty-one years of age and over are guaranteed a minimum wage of \$15.00 for a forty-hour week.

It is provided that for a learning period of twenty-four weeks "beginners" shall receive at least the regular piecework rates currently in effect, with a guarantee of at least sixty-five percent of the minimum wage. The maximum number of "beginners" that may be employed in this Industry is fixed at ten percent of the total number of employees.

It is provided that handicapped workers ("substandards") shall receive at least the regular piecework rate currently in effect, with a guarantee of at least sixty-five percent of the minimum wage. The maximum number of such employees is fixed at ten percent of the total number of employees.

The above provisions met with serious objections on the grounds that they would make it possible for twenty percent of the total employees to be paid less than the minimum wage prescribed in the Code. For this reason the Code specifies that the Code Authority shall investigate the problem of "beginners" and "substandards" and report the findings of such investigation to the Administrator, so that he may determine whether the provisions concerning these employees shall be changed.

Child labor is prohibited and the minimum wages provided are guaranteed whether the employee is compensated on a time-rate, piece-rate, or salary basis.

ECONOMIC EFFECTS OF THE CODE

According to the report of the Research and Planning Division, 9,279 wage earners were employed in this Industry during 1929 and 7,101 during 1931. It is estimated that the forty-hour week established in this code should increase present employment in this Industry by 1,420, which would bring the total figure up to approximately 8,400.

The same report shows that the average salary received for all employees in this Industry during 1931 was \$8.98 per week. During 1929, a peak year, the average salary for all employees combined amounted to only \$12.25 a week.

The lowest minimum in the Code (for "beginners" and "substandards") is \$7.80 for a week of forty hours. "Beginners", doing the work of glove sewers, will receive at least \$8.45 per week of forty hours. The lowest minimum wage for employees other than "beginners" and "substandards" is \$12.00 per week of forty hours.

FINDINGS

I find that:

This Code complies in all respects with the pertinent provisions of Title I of the Act, including without limitation, sub-section (a) of Section 7, and Sub-section (b) of Section 10 thereof.

The applicant group is truly representative of the industry, and the bylaws of the Association, when amended in accordance with suggestions made by the National Recovery Administration, will not impose inequitable restrictions upon membership.

The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises, and will not operate to discriminate against them and will tend to effectuate the policy of the Title I of the National Recovery Act.

Accordingly, I hereby recommend the approval of this proposed Code of Fair Competition for the Cotton Cloth Glove Manufacturing Industry.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION FOR THE COTTON CLOTH GLOVE MANUFACTURING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Cotton Cloth Glove Manufacturing Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Industry" as used herein includes the manufacture of canton flannel, jersey, and leather combination work gloves and mittens, and such branches or subdivisions thereof as may from time to time be included under the provisions of this Code.

2. The term "member of the Industry" includes anyone engaged in the Industry as above defined either as an employer or on his own behalf.

3. The term "employee" as used herein includes anyone engaged in the Industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

4. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

5. The term "beginner" as used herein is one who has had less than twenty-four (24) weeks' experience as a glove sewer or glove cutter in this Industry.

6. The term "substandard" as used herein means anyone presently employed in the Industry who, because of advanced years or mental or physical infirmities, is incapable of producing sufficient units to earn the minimum wage established in this Code.

7. The term "scrap leather" as used herein means leather remaining after palms, thumbs, and fingers have been cut.

8. The term "President", "Act", and "Administrator" as used herein shall mean, respectively, the President of the United States, the National Industrial Recovery Act, and the Administrator of said Act.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of 40 hours in any one week or 8 hours in any 24-hour period. During the period from July 1st to November 1st there shall be a 10% tolerance, but the average for any calendar year shall not exceed 40 hours per week.

2. The maximum hours fixed in the foregoing section shall not apply to:

(a) Persons in a managerial, executive, or supervisory capacity in office or factory who receive compensation of \$35.00 per week or more. All such persons shall be listed with the Code Authority as hereinafter provided.

(b) Outside sales force.

(c) Watchmen, who shall not be permitted to work in excess of fifty-four (54) hours in any one week or six (6) days in any one week.

(d) Drivers, who shall not be permitted to work in excess of 48 hours per week.

(e) Employees on emergency maintenance and repair work. Such employees shall be paid at least time and one third for hours or fractions thereof worked in excess of the maximum hours herein provided.

3. No employee shall be permitted to work for a total number of hours in excess of the number of hours herein prescribed for each day and week, whether employed by one or more employer.

ARTICLE IV—WAGES

1. No employee shall be paid at less than the following rates according to classification on the basis of function:

(a) Glove cutters (other than scrap-leather cutters) 40¢ per hour.

(b) Glove sewers, 32½¢ per hour.

(c) Other employees not otherwise provided for herein (including scrap-leather cutters) 30¢ per hour.

(d) Office employees 21 years of age and over—at the rate of \$15.00 per week of 40 hours.

(e) Office employees under the age of 21—at the rate of \$12.00 per week of 40 hours.

(f) Beginners (for a learning period of 24 weeks) shall receive at least the regular piece-work rate currently in effect, with a guarantee of at least 65% of the minimum wage provided herein. The number of beginners employed by any member of the Industry shall not exceed 10% of the total number of employees employed by him.

(g) "Substandard" workers shall receive at least the regular piecework rates currently in effect, with a guarantee of at least 65% of the minimum wage herein provided. The number of such "substandard" employees employed in any plant shall not exceed at any time more than 10% of the employees in that particular plant, and their names, together with the names of all beginners, shall be filed with the Code Authority.

With respect to "beginners" and "substandards", the Code Authority shall make reports to the Administrator as hereinafter provided.

2. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

3. Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

4. The wage rates of all employees receiving more than the minimum rates herein prescribed shall be equitably adjusted, and within thirty (30) days after the effective date hereof the Code Authority

shall recommend to the Administrator a proper method for the adjustment of wages above the minimum.

The Code Authority shall establish with the approval of the Administrator minimum piecework rates for the Industry so that wages will be equitably adjusted for all productive labor.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under 16 years of age shall be employed in the Industry, nor anyone under 18 years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within 60 days after approval a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the Authority in such State empowered to issue employment or age certificates or permits showing that the employee is of the required age.

2. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing, and

4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

5. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or health, fire or general working conditions than under this Code.

6. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act.

7. Each employer shall post in conspicuous places on his premises full copies of this Code.

8. No member of the Industry may knowingly employ as a beginner or apprentice an employee who has previously been employed in any plant in this Industry more than 24 weeks.

ARTICLE VI—ADMINISTRATION

To further effectuate the policies of the Act, a Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code.

1. *Structure of Code Authority.*—(a) The Code Authority shall consist of six (6) individuals, or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter set forth. The Administrator, in his discretion, may appoint not more than three (3) additional members (without vote),

one of whom shall be a representative of labor in this industry and the others to represent the Administrator or such groups or interests as may be agreed upon (without expense to the Industry).

(b) Five (5) members of the Code Authority shall be selected by the Trade Association (or Associations) in the Industry. One (1) member shall be selected by members of the Industry not members of any Trade Association at such time(s) and under such rules and regulations as shall be prescribed by the Administrator.

(c) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall: (1) Impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, bylaws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

(d) In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

2. *Function of the Code Authority.*—The Code Authority shall have the following duties and powers to the extent permitted by the Act, subject to the right of the Administrator on review to approve or modify any action taken by the Code Authority.

(a) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code.

(b) To investigate, or cause to be investigated, on its own initiative or on complaint filed with it, any violation of this Code by any person in the Industry. The Code Authority may establish appropriate rules in regard to the obtaining of evidence and conducting hearings and shall grant to all persons interested in the subject-matter of any investigation or complaint a fair and reasonable opportunity to appear and be heard.

After an investigation and hearing, the Code Authority shall present a written report to the Administrator which shall include findings of fact and its recommendations.

(c) To develop and submit to the Administrator for approval within 30 days after the effective date of this Code a uniform system of cost accounting designed to make possible the accurate determination by each member of the Industry of his own individual cost of production. Upon approval by the Administrator of such system of cost accounting, complete advice concerning it shall be distributed by the Code Authority to all members of this Industry.

(d) To present to the Administrator recommendations based on conditions in the Industry, as they may develop from time to time, which will tend to effectuate the operation of the provisions of this Code.

(e) To establish, when necessary, administrative divisions of the Industry and to appoint, with the approval of the Administrator,

appropriate agencies for the administration of this Code in each division.

(f) To assist in arbitrating disputes arising from any provision in this Code.

(g) To collect and receive from each member of the Industry the following *monthly* reports and at all times keep the Administrator informed with respect thereto. Such reports shall be filed with the Code Authority not later than the 15th day of each month covering the previous month's operations, and no individual report shall be disclosed to any other member of the Industry or any other party except to such governmental agencies as may be directed by the Administrator.

(1) Reports showing number of persons employed, wage rates in effect, and hours worked during the preceding month.

(2) Reports showing the numbers, in dozens, of cotton flannel, jersey, and leather combination work gloves and mittens produced during the preceding month. Also total dozens of gloves, by classification, on hand; unfilled orders in dozens by classifications; and any other information that may be required.

Within five (5) days after the effective date of the Code, each member of the Industry shall file with the Code Authority detailed report by classification showing the total number of dozens of gloves on hand and the unfilled orders on hand in dozens by classification.

(3) Reports showing the names of all persons currently employed as beginners, together with the date they entered the employ of said member of the Industry, as well as the names of all persons hereafter employed as beginners, showing the date such beginners were first employed.

(4) Reports showing the names of all persons currently employed as "substandard" employees and the pay rolls of such employees.

(h) The Code Authority shall conduct a special study of "beginners." The study shall include accurate statistics of the number of "beginners" employed, their progress (rate of productivity, i.e., how long it takes the average "beginner" to earn the guaranteed minimum wage rate or more), etc. The findings of such study shall be submitted in a report to the Administrator within six (6) months after the effective date of this Code and the Administrator may determine whether the provisions of subsection (f) of Section 1, Article IV, of this Code shall be changed, after such notice and hearing as he may deem necessary.

(i) Within three (3) months of the effective date of this Code the Code Authority shall report to the Administrator the findings of a special study of "substandards", so that the Administrator may determine whether the provisions of subsection (g) of Section 1, Article IV, of this Code shall be changed, after such notice and hearing as he may deem necessary. Such reports shall include accurate statistics of the number of "substandard" employees in this Industry, the pay rolls of such employees, the average rate of productivity (number of units produced by the average "substandard" as compared with the number of units produced by the average normal employee), etc.

(j) The Code Authority shall make a special study of the problem of unemployment in this Industry to the end of reemploying all

those who have been disemployed. The report on this study shall be sent to the Administrator within 3 months of the effective date of this Code.

3. In addition to the information required to be submitted to the Code Authority, there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

4. Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. The reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable to be taken into consideration.

ARTICLE VII—TRADE PRACTICES

1. All sales shall be invoiced at the time of shipment, and such invoice shall clearly and accurately state all the essential elements of the sale.

2. Within five (5) days after the effective date of this Code each member of the Industry shall publish a fully descriptive price list of all of his prices applicable to that class and subclass of purchasers to whom he sells various types of products, including in such price lists or in supplementary writings (copies of which shall be filed with the Code Authority) all of his conditions of sale. Copies of each subsequent price list and/or supplementary writing shall be filed with the Code Authority immediately upon publication of same.

3. Discontinued lines, distress merchandise, or close-outs may be sold by any manufacturer at less than his published prices, provided a complete report of such sale is made immediately to the Code Authority. Invoices of such sales shall be clearly marked "special prices on account of close-outs."

4. There shall be no price differential for gloves shipped in bundles as against those shipped in cartons. Where gloves are packaged or bundled in quantities of less than one dozen pairs of the same size, whether or not such packages are shipped in dozen cartons or bundles, a charge of at least 2¢ per dozen shall be made to cover this extra labor.

5. Where manufacturers are requested by wholesalers to print the name or plant of their (wholesaler) customers on gloves, the manufacturer shall make a minimum charge of \$1.25 on any quantity of 50 dozen or less, and on 51 dozen or more the printing charge shall be at least 2½¢ per dozen. There shall also be a charge made for all cuts and electros.

6. Customers shall be classified as wholesalers and retailers.

For the purposes of this Code, a "wholesaler" is defined as an individual, partnership, or corporation who has a proper investment in his business, who buys in bulk quantities, who maintains a suffi-

ciently complete stock of gloves to meet all normal requirements, and whose major business is selling to retailers.

A "retailer" is defined as an individual, partnership, or corporation who has a proper investment in his business, who buys in bulk quantities, who maintains a sufficiently complete stock of gloves to meet normal requirements, and whose major business is selling to ultimate consumers.

7. Every employer shall use a cost-accounting system which conforms to the principles of and is at least as detailed and complete as the uniform method of cost accounting to be prescribed by the Code Authority and approved by the Administrator.

8. The approved terms of discounts, allowances, and conditions currently in effect from time to time (which terms, discounts, etc., may be revised upon the approval of the Administrator) are as follows:

Terms, Manufacturer to Wholesaler.—Terms from manufacturer to wholesaler shall be 2% cash discount 20 days, with net of 40 days from date of shipment. No more favorable terms shall be given or allowed except after June 15 at the manufacturer's option and to facilitate shipments during the heavy delivery season, invoices may be dated as September 1 with 2%, 20 days, 40 days net.

Terms, Manufacturer to Retailer.—Terms from manufacturer to retailer shall be 2% cash, discount 10 days, with net of 30 days from date of shipment. No more favorable terms shall be given or allowed except gloves for fall delivery may, after June 1, at the manufacturer's option and to facilitate shipments during the heavy delivery season, be invoiced as of October 1, with 2%, 10 days, 30 days net.

FREIGHT ALLOWANCES

A. *Freight Shipments.*—Freight charges shall not be allowed on any shipment or shipments to any purchaser or consignee on less than 100 pounds nor shall there be any concessions or allowance of any sort in lieu thereof.

B. *Express Shipments.*—On gloves shipped by express (regardless of weight) the manufacturer may allow only the equivalent of freight charges to any purchaser.

ARTICLE VIII—UNFAIR TRADE PRACTICES

The following practices constitute unfair methods of competition for members of this Industry and are prohibited:

1. Intentionally withholding from, or deliberately inserting in the invoice, or other sales documents, facts which make said documents false records, wholly or in part, of the transaction represented on the face thereof.

2. The payment or allowances of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the extension to certain purchasers of services or privileges not extended to all purchasers of the same class under like terms and conditions.

3. Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his

customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services.

4. Repudiation of accepted orders and other contracts or their attempted cancellation except for legal cause or by mutual consent.

5. The making or causing or knowingly permitting to be made or published any false, materially inaccurate or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or the credit terms, values, policies, or services of any member of the Industry, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

6. The false marking or branding of any product of the Industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or otherwise.

7. Shipping or delivering gloves which do not materially conform to the samples submitted, and/or which do not conform to the representations made prior to securing the order.

8. The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or by the false disparagement of the grade or quality of their goods.

9. Directly or indirectly to give or permit to be given or offer to give, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors, customers, or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase from the makers of such gift or offer, or to influence such employers or principals to refrain from dealing or contracting to deal with competitors.

10. Allowing a commission or extra discount or a concession in price to a jobber or retailer on his own purchase because he acts as a salesman or manufacturer's agent for the sale of gloves to others, if said jobber or retailer receives a salary and/or a commission.

11. Allowing or offering to allow commissions, allowances, rebates, extra discounts, premiums, or concessions of any character beyond those appearing on the published price lists to any customer or any individual or organization representing or acting for customers or groups of customers.

12. Copying the exclusive styles, names, numbers, and/or patterns originated by a competitor and selling such gloves below the published prices of the originator.

13. Allowing credit for claims or deduction before the facts of such claims or deductions have been established by an authorized representative of the manufacturer, or until the merchandise against which the claim has been made as being defective has been returned to the manufacturer.

Any dispute arising under operation of this provision shall, if possible, be settled by amicable agreement, or shall be referred to the Code Authority for arbitration.

14. Placing merchandise on any form of consignment or memorandum, either directly or indirectly. No further merchandise shall be shipped on existing consignment accounts and all consignment accounts must be terminated within 60 days of the effective date of this Code.

15. The storage of gloves by any manufacturer in his warehouse for the account of any one purchaser, unless the sale has been made pursuant to a bona fide contract, and provided that in no event shall the seller defray any of the expenses incident to warehousing.

16. The sending of samples of gloves by manufacturers to any wholesaler at the wholesaler's request without making the proper charge therefor; used samples shall not be returned for credit.

17. Deviations from the classification of customers (as listed in paragraph 6 of Article VII) in the establishment of quotation of prices, discounts, credit terms, allowances or other conditions of sale.

18. The sale by any manufacturer of his product (except discontinued lines or close-outs) below his cost except to meet any competitor's price who is operating according to the provisions of this Code. Cost is to be determined according to the cost accounting system referred to in Article VI, Section 2 (b), and Article VII, paragraph 7.

19. The sale by any manufacturer of his products on any basis more favorable than the terms, discounts, allowances, and conditions provided in paragraph 8 of Article VII.

20. The sale by any manufacturer of his products (except on discontinued lines or close-outs) to anyone for any purpose, at any price or on any terms or conditions less than those indicated in his published price lists (as provided in paragraph 2 under Article VII).

21. Basing quotations of weights for cotton cloth gloves on other than thirty-three to thirty-four inch flannels.

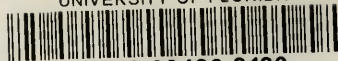
ARTICLE IX—MODIFICATION

1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

2. After due notice and hearing, this Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances; such modifications shall be based on the recommendation of the Code Authority or of any interested party or group or on the Administrator's own initiative and shall become effective on approval by the President.

ARTICLE X—EXISTING CONTRACTS

Where the cost of executing contracts entered into by this Industry prior to June 16, 1933, is increased by the application of the



provisions of the National Industrial Recovery Act, it is equitable and promotive of the purposes of the Act that appropriate adjustments of such contracts to reflect such increased cost be arrived at, with the consent of the buyer, by arbitral proceedings or otherwise and the Code Authority is constituted an agency in effecting such adjustments.

ARTICLE XI—MONOPOLIES, ETC.

No provisions of this Code shall be interpreted or applied in such a manner as to promote monopolies, permit or encourage unfair competition, eliminate or oppress small enterprises, or discriminate against small enterprises.

ARTICLE XII—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and service increase as rapidly as wages, it is recognized that price increases, except such as may be required to meet individual cost, should be delayed, but when made, such increases should, so far as possible, be limited to actual increases in the seller's costs.

ARTICLE XIII—EFFECTIVE DATE

This Code shall become effective on the second Monday after its approval by the President.

Approved Code No. 187.

Register No. 235-1-01.